



DOCKET FILE COPY ORIGINAL

American Network, Inc.

September 13, 1996

Federal Communications Commission  
Secretary  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: Docket No. 96 - 146 - NPRM

RECEIVED  
SEPT 16 1996  
FCC MAIL ROOM

Dear Secretary Caton:

American Network strongly supports the Commission's efforts to protect consumers from unscrupulous information providers (IP's). Consumers must be able to call information services with the confidence that they will not incur charges that far exceed normal tariffed rates.

It seems obvious that the real concern of AT&T has nothing to do with consumer protection, but rather is an attempt to avoid what it perceives as "unusually high terminating access rates" incurred by AT&T in certain regions. AT&T's concern over access charges falls well outside the scope of the NPRM and is more appropriately raised in the upcoming FCC proceeding on access reform. This proceeding should not be used as a vehicle for AT&T to secure a competitive advantage or to avoid payment of access charges.

AT&T proposes that terminating switched access arrangements (TSAA's) with universities, large corporations and IP's is justifiable, but at the same time, an arrangement of a Local Exchange Carrier (LEC) with an IP is not justifiable.

We believe an IP and a University must be treated the same or placed upon an equal playing field, as they both are receiving the commission. A university might receive a commission for providing information on upcoming events or class registration services via interactive voice response (IVR) service. Federal agencies could have similar arrangements for information on available publications or the Smithsonian on exhibits and museum hours. We believe this constitutes an IP service, and as such, AT&T's TSAA's or similar LEC arrangements would also have to be prohibited for universities, museums or any other entity.

By offering TSAA, AT&T is bypassing the LEC (local exchange carrier), and, as such, the franchised LEC is not getting their share of the revenue. LEC's rely heavily on this revenue to provide universal services. By bypassing the LEC, AT&T is indirectly forcing the LEC's to increase their rates to consumers.

We request that the Commission address TSAA's as they would any revenue sharing arrangement for telecommunications services. The distinction between IXC and LEC's, proposed by AT&T, would not be fair or reasonable to LEC's. Since the consumer is not paying any additional cost for making such a long distance call, we believe the Commission should treat this call as a traditional toll service and not as a pay-per-call service. We request the Commission to treat all parties equally, regardless if it is AT&T or a small company such as ourselves.

We strive to bring cost effective solutions to consumers at lowest cost possible, thus effecting AT&T and their 900 MultiQuest services. AT&T MultiQuest service has the most expensive transmission rates. A long distance call from New York to Los Angeles on AT&T costs approximately 18 cents as compared with 32 cents for a 900 call. We are able to deliver to the consumer some programs that Sprint charges the consumer 10 cents/minute at night, or that AT&T charges at 13 cents per minute. AT&T is trying to protect their interest in 900 service by trying to eliminate any competing service.

The proposal of AT&T runs far afield of the scope of this proceeding. Congress's concern was that the tariffs not be filed for the express purpose of charging consumers excessive rates for information services. In contrast, AT&T's proposal goes beyond the power delegated to this Commission by requiring an expansion of the definition of pay-per-call. The deficiency of both the Commission's per se evidence standard and AT&T's proposal are that calls for which the caller only incurs normal tariffed rates would be held to be pay-per-call. This would be rewriting the definition of pay-per-call; something this Commission has no power to do.

TDDRA is not meant to be an anti-competition Act, but rather consumer protection legislation against premium rates. It makes little sense to force information services to cease offering services that are reached, for example, through Sprint's ten-cents-per-minute rate. We believe that any remuneration by a LEC to an IP merely covers the expense of attaining the sale of that minute. If there is no IP in the area, then there will not be any revenue for the LEC. Furthermore, a LEC is regulated by a state public utility commission, and, as such, its rate of return is also regulated, unlike AT&T which no longer is subject to cost of service regulation. AT&T is requesting the Commission to put a limit on LEC revenue and to place the LEC in a non-competitive situation; while, at the same time, AT&T aggressively tries to take over LEC's territory. Unfortunately, this is another example of how AT&T does business.

We request that the Commission place every company on a level competing field in the communication industry. This may best be accomplished by permitting the continuation of revenue sharing, so that consumers continue to reap the benefit of low cost access to information.

Sincerely,

A handwritten signature in black ink, appearing to read "Kent S. Charugundla". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Kent S. Charugundla  
President  
American Network, Inc.

KSC:n